Canadian Northern Economic Development Agency (CanNor)

2016–17

Report on Plans and Priorities

The Honorable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

Erratum :

On page 25 of the French PDF version of the 2016-17 RPP under the Description of the Sub-Program 1.2.2 second sentence, the following erroneous words have been removed.

> Rapport ministériel sur le rendement 2014-2015 30 Section II : Analyse des programmes par résultat stratégique

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ISSN **2292-4132**
Cat. No. R1-41E-PDF

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Ministers' Message

As Canada begins a new chapter in 2016–17, creating a culture of innovation is more important than ever in driving economic growth.

The recent name change of our Innovation, Science and Economic Development Portfolio recognizes this, placing a deliberate emphasis both on innovation and scientific discovery, and their equal importance for economic development nationally and throughout all of Canada's diverse regions.

We have promised Canadians a government that will bring real change—in both what we do and how we do it. We will invest in growing our economy, increase transparency and use the best evidence available to inform decision making.

Through the programs of the Innovation, Science and Economic Development Portfolio, we will work to develop and deliver an innovation agenda for Canada that will help improve our productivity performance, grow the economy and enhance our prosperity and well-being.

This 2016-17 *Report on Plans and Priorities* of the Canadian Northern Economic Development Agency provides information on how the Agency will support the Government on achieving our agenda in the coming year and we are fully confident that the Canadian Northern Economic Development Agency is prepared to successfully support us and work with our partners inside and outside government to deliver for Canadians. However, given our commitment to more effective reporting, this year's report will be the final submission using the existing reporting framework.

The Prime Minister and the President of the Treasury Board are working to develop new, simplified and more effective reporting processes that will better allow Parliament and Canadians to monitor our Government's progress on delivering real change to Canadians. In the future, the Canadian Northern Economic Development Agency's reports to Parliament will focus more transparently on how we are using our resources to fulfill our commitments and achieve results for Canadians.

The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan
Minister of Science

The Honourable Bardish Chagger
Minister of Small Business and Tourism

These new reporting mechanisms will allow Canadians to more easily follow our Agency's progress towards delivering on our priorities, which were outlined in the Prime Minister's mandate letters to us.[1]

It is our pleasure to present the *Report on Plans and Priorities* for the Canadian Northern Economic Development Agency for 2016–17, which sets out how the Agency's work will contribute to attaining these shared objectives.

The Honourable Navdeep Bains	The Honourable Kirsty Duncan	The Honourable Bardish Chagger
Minister of Innovation, Science and Economic Development	Minister of Science	Minister of Small Business and Tourism
Mandate Letter[2]	Mandate Letter[3]	Mandate Letter[4]

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister:

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

President: Dr. Janet King, Canadian Northern Economic Development Agency

Ministerial Portfolio: Innovation, Science and Economic Development

Enabling Instrument: Public Service Rearrangement and Transfer of Duties Act, R.S.C. 1985, c. P-34[5].

Year of Incorporation / Commencement: 2009

Head Office:
Allavvik Building
1106 Inuksugait Plaza IV
Iqaluit, Nunavut, X0A 0H0
Canada

Website: cannor.gc.ca[6]

Organizational Context

Raison d'être

Contributing to jobs and growth in Canada, the Canadian Northern Economic Development Agency (CanNor) works to develop a diversified, sustainable and dynamic economy across Canada's three territories. It does this by delivering funding programs to Northerners and Indigenous people, guiding resource development and major projects across the North through the Northern Projects Management Office, undertaking research to support the development of evidence-based policies, advocating for northern economic prosperity and diversification, and collaborating with and aligning the efforts of other federal departments, territorial governments, Indigenous organizations, and industry.

Responsibilities

CanNor advances economic development in Canada's North by delivering a suite of contribution programs that foster growth and innovation, and by providing pan-northern knowledge and expertise to enhance the effectiveness of federal policy initiatives. The Agency's Northern Projects Management Office coordinates federal participation in regulatory review processes and oversees Crown consultation with Indigenous peoples for major projects.

Headquartered in the North, the Agency works closely with all federal partners whose operations impact the North's economic development, as well as with territorial governments, communities, Indigenous organizations and the private sector. These strong partnership networks enable the Agency to advance economic initiatives that help to diversify and grow the northern economy and to advance the Government of Canada's priorities in the North.

Strategic Outcome and Program Alignment Architecture

1. Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners.

- **1.1 Program:** Economic Development
  - **1.1.1 Sub-Program:** Business Development
  - **1.1.2 Sub-Program:** Community Development
- **1.2 Program:** Policy and Alignment
  - **1.2.1 Sub-Program:** Policy and Advocacy
  - **1.2.2 Sub-Program:** Coordination and Alignment

Internal Services

Organizational Priorities

Priority: Support the development of an Innovation Agenda.

Description: Support the development of the Government of Canada's Innovation Agenda by making strategic investments in key sectors, such as clean technology, and by collaborating on the development of an emerging national network for business innovation and cluster support.

Priority Type[*]*:* New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Foster innovation in the North, including clean technology, through investments made under CanNor's contribution programs and collaboration with stakeholders, in support of the Government of Canada's Innovation Agenda.	April 2010	Ongoing	1.1 Economic Development and 1.2.1 Policy and Advocacy

[*]Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Priority: Strengthening and diversifying the northern economy.

Description: CanNor will continue to make strategic investments in established and emerging areas to foster economic growth and to strengthen and diversify the northern economy.

Priority Type: Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Support the diversification of the northern economy by investing in key sectors that show potential for growth.	April 2010	Ongoing	1.1 Economic Development
• Increase strategic investment in Indigenous businesses to foster participation in economic growth in northern communities.	April 2014*	Ongoing	1.1 Economic Development
• Identify northern firms with growth potential and support their development.	To be determined	To be determined	1.1.1 Business Development and 1.2.1 Policy and Advocacy

* Northern Aboriginal Economic Opportunities Program replaced CanNor's former four Aboriginal Economic Development programs: Community Economic Development Program, Community Support Services Program, Community Economic Opportunities Program and the Aboriginal Business Development Program.

Priority: Advancing major project development in the North.

Description: An effective regulatory review process ensures that major resource development and infrastructure projects have robust oversight and thorough environmental assessment processes with evidence-based outcomes. CanNor will continue to support Crown consultation and early engagement of Indigenous peoples to ensure meaningful participation and outcomes from major project development.

Priority Type: Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Support the effective implementation of environmental assessment processes for major projects in the North, including the coordination of participating federal departments and agencies.	May 2010	Ongoing	1.2.2 Coordination and Alignment
• Oversee the coordination of Crown consultations with Indigenous people for major projects in the North.	May 2010	Ongoing	1.2.2 Coordination and Alignment
• Support community planning efforts to enable northern communities to fully benefit from major project development in the North.	April 2014*	Ongoing	1.1.2 Community Development and 1.2.2 Coordination and Alignment

* Northern Aboriginal Economic Opportunities Program replaced CanNor's former four Aboriginal Economic Development programs: Community Economic Development Program, Community Support Services Program, Community Economic Opportunities Program and the Aboriginal Business Development Program.

Priority: Excellence in people and business management.

Description: CanNor will continue to realize organizational efficiencies to improve its business processes and support the growth and professional development of its employees.

Priority Type: Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Implement a business plan to integrate and strengthen the Agency's operations, and capacity to deliver excellent and effective programs, communications and services.	To be determined	To be determined	1.2.1 Policy and Advocacy

For more information on organizational priorities, see the Minister's mandate letter on the Prime Minister of Canada's website [7].

Risk Analysis

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Operational Environment: CanNor's ability to advance economic development in the North is affected by external factors, as described below, that are beyond the Agency's direct control. These factors can affect the economic climate and hinder the Agency from being able to fully advance on its strategic objectives. Limited operational capacity of northern stakeholders can also hamper their ability to fully utilize contribution funding.	The Agency's knowledge of external factors, as described below, is used to tailor the delivery of its contribution programs to support economic diversification to help strengthen the northern economy and improve its resilience. The Agency supports innovative approaches to leverage resource development projects to help diversify and benefit northern economies. For example, the Community Readiness Initiative pilot helps northern communities to better position themselves to benefit from major projects. The Agency works with diverse partner networks to increase diversification and innovation in the northern economy.	1.1 Economic Development and 1.2 Policy and Alignment

External Factors

While each territory and region is unique, economic development throughout the North is challenging due to a sparse and widely distributed population, cyclical downturns due to a dependence on natural resource extraction, an infrastructure deficit, reliance on high energy costs and labour-market challenges.

The northern gross domestic product is expected to contract by approximately 1% in 2015. This is due to declines in territorial economies largely related to an economic downturn in commodity prices for the natural resource sector. Sustained weakness in commodity prices will continue to impact the overall health of the northern economy.

The northern economy remains significantly less diversified than most other areas in Canada. As the North's two primary sectors – mineral extraction, and public administration – account for more than 40% of the North's gross domestic product, it is more susceptible to cyclical economic downturns.

The North's energy challenge continues to be a significant risk factor. For example, 69% of communities in the territories are not connected to the North American power grid and are dependent on diesel generators. This leads to higher energy costs and greater

environmental risks. There is a need to move towards pursuing and implementing alternative energy sources.

Infrastructure is the foundation for economic development. The North's current infrastructure deficit poses significant challenges. For example, the absence of existing infrastructure can increase capital costs by up to 2.5 times for mining operations (when compared to the rest of Canada) and outranks all other elements in determining whether a major natural resource project can advance to production.[8]

A skilled workforce is essential in building a growing economy. In 2011, 24% of working-age Northerners (aged 25-64) had not completed Grade 12, almost double the rate of working-age Canadians. This situation poses a significant challenge preventing Northerners from fully benefiting from economic development opportunities.

Planned Expenditures

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
26,233,451	26,233,451	25,109,964	21,922,964

a) The planned spending starting in 2017-18 is $1.1 million lower due to the sunset of funding for the Centre for Northern Innovation in Mining.

b) The planned spending starting in 2018-19 is $3.2 million lower due to the sunset of the Canada 150 Community Infrastructure Program.

c) Sunset programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

Human Resources (Full-Time Equivalents [FTEs])

2016–17	2017–18	2018–19
55	55	55

Budgetary Planning Summary for the Strategic Outcome and Programs (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2013–14 Expenditures	2014–15 Expenditures	2015–16 Forecast Spending	2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners							
1.1 Economic Development	40,878,078	38,684,842	39,569,018	18,108,174	18,108,174	16,984,687	13,797,687
1.2 Policy and Alignment	3,226,458	3,955,430	4,352,206	2,013,466	2,013,466	2,013,466	2,013,466
Subtotal	44,104,536	42,650,272	43,921,224	20,121,640	20,121,640	18,998,153	15,811,153
Internal Services Subtotal	6,674,942	6,480,289	6,926,234	6,111,811	6,111,811	6,111,811	6,111,811
Total	50,779,478	49,120,561	50,847,458	26,233,451	26,233,451	25,109,964	21,922,964

2015-16 to 2016-17

a) The planned spending starting in 2016-17 for the Economic Development program is lower due to the sunset of time-limited funds for two contribution programs: the Strategic Investments in Northern Economic Development program ($19.9 million), the Northern Adult Basic Education Program ($4 million) as well as a funding reduction for the Centre for Northern Innovation in Mining ($1.3 million). These reductions are slightly offset by the introduction of two new contribution programs: the Canada 150 Community Infrastructure Program ($3.2 million) and the Certification and Market Access Program for Seals ($63,000).

b) For the Policy and Alignment program, the decrease in 2016-17 is mostly related to the sunset of the Northern Projects Management Office Initiative funding of $2.6 million.

c) The sunset of the above contribution programs under the Economic Development program impacts available funding in 2016-17 onward for both the Policy and Alignment program, and Internal Services because of shared resources.

d) Sunset programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

2016-17 to 2017-18

a) The planned spending starting in 2017-18 for the Economic Development program is lower due to the sunset of funding for the Centre for Northern Innovation in Mining.

2017-18 to 2018-19

a) The planned spending starting in 2018-19 is lower for the Economic Development program due to the sunset of the Canada 150 Community Infrastructure Program funding of $3.2 million, offset slightly by an increase in the funding for the Certification and Market Access Program for Seals.

b) Sunset programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

Alignment of Spending With the Whole-of-Government Framework

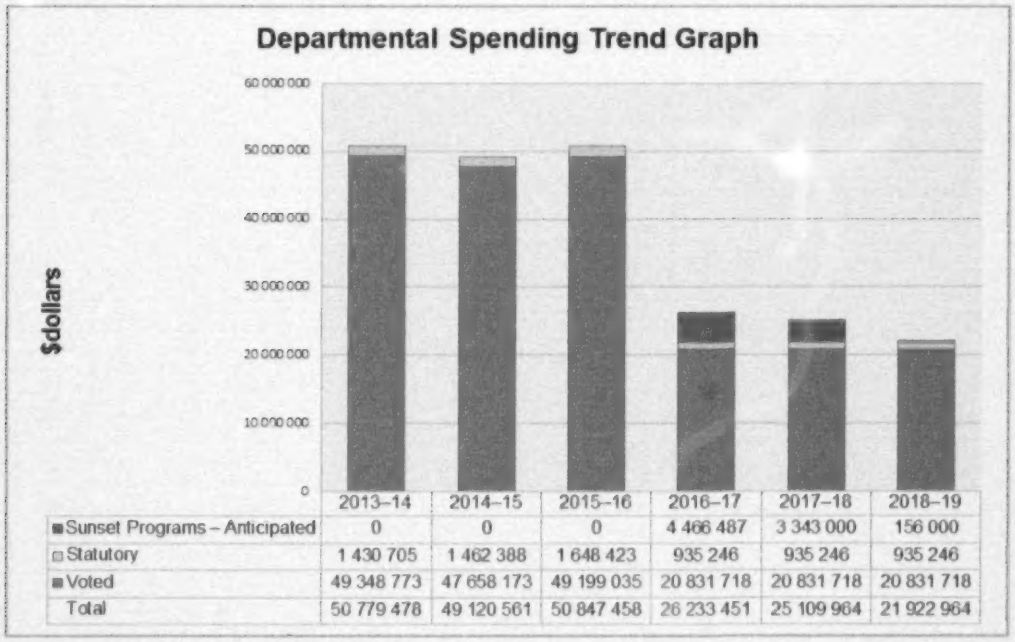
Alignment of 2016–17 Planned Spending With the Whole-of-Government Framework[9] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2016–17 Planned Spending
1. Developed and diversified territorial economies that support prosperity for all Northerners	1.1 Economic Development	Economic Affairs	Strong economic growth	18,108,174
	1.2 Policy & Alignment	Economic Affairs	Strong economic growth	2,013,466

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic affairs	20,121,640
Social affairs	0
International affairs	0
Government affairs	0

Departmental Spending Trend



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	0	0	0	4 466 487	3 343 000	156 000
Statutory	1 430 705	1 462 388	1 648 423	935 246	935 246	935 246
Voted	49 348 773	47 658 173	49 199 035	20 831 718	20 831 718	20 831 718
Total	50 779 478	49 120 561	50 847 458	26 233 451	25 109 964	21 922 964

Previous to 2016-17, the voted amount reflects all of CanNor's ongoing and time-limited funding. Beginning in 2016-2017, the voted amount reflects the Agency's ongoing funding and excludes sunset programs.

The voted amount in 2016-17 is lower than the previous year as it excludes funding for three of the Agency's programs, which are set to sunset on March 31, 2016: the Strategic Investments in Northern Economic Development program ($19.9 million), the Northern Adult Basic Education Program ($4 million) and the Northern Projects Management Office Initiative ($2.6 million). Sunset programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

The sunset programs amount in 2016-17 and 2017-18 includes the two-year Canada 150 Community Infrastructure Program ($3.2 million per year).

The statutory amount starting in 2016-17 is lower due to reduced Employee Benefit Plan costs associated with lower salary expenditures.

Estimates by Vote

For information on CanNor's organizational appropriations, consult the 2016-17 Main Estimates.[10]

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners

Program 1.1: Economic Development

Description

This program supports economic development in Canada's three territories: Nunavut, Northwest Territories and Yukon. Ensuring that the North is able to participate actively in the economy is essential to Canada's economic growth. Each territory has unique opportunities and challenges that require individual strategies to foster sustainable, competitive and diverse economic development. Through funding support, the Canadian Northern Economic Development Agency (CanNor) strengthens and stimulates the northern economy by taking steps to advance private sector efforts, ranging from small and medium enterprises to large-scale industry. There is also a strong focus on creating the conditions to position individuals, including Indigenous and non-Indigenous Northerners, communities and business-related organizations for economic success.

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
18,108,174	18,108,174	16,984,687	13,797,687

a) The planned spending starting in 2017-18 is $1.1 million lower due to the sunset of funding for the Centre for Northern Innovation in Mining.

b) The planned spending starting in 2018-19 is $3.2 million lower due to the sunset of the Canada 150 Community Infrastructure Program, offset by a minor increase to the Certification and Market Access Program for Seals.

c) Sunset programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

Human Resources (Full-Time Equivalents [FTEs])

2016–17	2017–18	2018–19
13	13	13

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Increased northern economic activity and well-being of northern communities	Northern Economic Index (NEI) [11]	Value of 24 to 26	March 31, 2017

Planning Highlights

To achieve the expected results for this program, the Agency plans to undertake the following:

- foster innovation in the North, including clean technology, through investments made under CanNor's contribution programs in support of the Government of Canada's Innovation Agenda;
- advance northern economic development and diversification in key economic sectors by making investments in emerging sectors and leveraging resource development;
- facilitate the development of job creation for Indigenous peoples through CanNor's suite of contribution programs; and
- support Northerners and Indigenous peoples to ensure that they have the capacity to participate in and benefit from economic opportunities by promoting the development of small and medium-sized enterprises, fostering community readiness, and supporting a skilled workforce across key sectors.

Sub-Program 1.1.1: Business Development

Description

This sub-program supports the growth and expansion of northern businesses, including small and medium size enterprises, through advice, and funding support. The sub-program's objective is to encourage a competitive, diverse northern business sector that is aligned with economic development opportunities across the North.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
5,208,012	4,084,525	4,097,525

a) The planned spending starting in 2017-18 is $1.1 million lower due to the sunset of funding for the Centre for Northern Innovation in Mining.

b) Reallocations of operating funds between the Business Development and Community Development sub-programs may occur due to shifting funds between the Northern Aboriginal Economic Opportunities Program's two funding streams as per its Management Control Framework.

c) Sunset programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

Human Resources (FTEs)

2016–17	2017–18	2018–19
4	4	4

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Increased northern business activity	Growth in Gross Domestic Product (GDP)	Growth rate in GDP that is equal to or better than the Canadian annual growth rate	March 31, 2017
	Percentage of Northern and Indigenous (individual or community-owned) businesses supported by the Agency that are still operating after three years	38%	
	Northern Economic Diversification Index (NEDI)[12]	Value of 87 to 89	

Planning Highlights

To achieve the expected results for this sub-program, the Agency plans to undertake the following:

- support Indigenous entrepreneurs and commercial entities to expand their business in the North through the Northern Aboriginal Economic Opportunity Program's Entrepreneurship and Business Development fund in order to help promote economic development and create jobs for Indigenous peoples;
- continue service delivery partner arrangements with Indigenous economic development organizations, to enhance community capacity, and effectively support and identify economic and business investment opportunities;
- make strategic investments that build on the North's competitive regional advantages to support the growth and diversification of the North through the ongoing funding envelope of $1.2 million under the Strategic Investments in Northern Economic Development program;
- provide support for economic development initiatives for official language minority communities in the territories through the Economic Development Initiative; and
- support the economic development of the North's sealing industry by providing funding for the industry's efforts to increase access to domestic and international markets through the Certification and Market Access Program for Seals.

Sub-Program 1.1.2: Community Development

Description

This sub-program supports community-level investments in infrastructure and organizations, and individual-level investments in skills and capacity development. The sub-program's objective is the establishment of economically sustainable northern communities with a high quality of life for residents.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
12,900,162	12,900,162	9,700,162

a) The planned spending starting in 2018-19 is $3.2 million lower due to the sunset of the Canada 150 Community Infrastructure Program.

b) Reallocations of operating funds between the Business Development and Community Development sub-programs may occur due to shifting funds between the Northern Aboriginal Economic Opportunity Program's two funding streams, as per its Management Control Framework.

c) Sunset programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

Human Resources (FTEs)

2016–17	2017–18	2018–19
9	9	9

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Economically sustainable northern communities	Self-sustaining Indigenous communities, as reflected in the proportion of Indigenous economic development community planning investments relative to business investments	Year-over-year increase in business investments relative to community planning investments	March 31, 2017
	Percentage improvement in labour market participation by Northerners	Improvement rate that is equal to or greater than the annual Canadian rate	
	Percentage of CanNor's investments in economic infrastructure studies that lead to infrastructure projects within five years	33%	

Planning Highlights

To achieve the expected results for this sub-program, the Agency plans to undertake the following:

- work closely with Indigenous governments and organizations to understand capacity gaps, and provide support through the Northern Aboriginal Economic Opportunity Program's Community Readiness and Opportunities Planning fund to ensure that communities are equipped to respond to and benefit from economic development opportunities; and
- support the rehabilitation of community infrastructure through investments under the Canada 150 Community Infrastructure Program.

Program 1.2: Policy and Alignment

Description

This program supports research and analysis to guide programming and policy choices, the promotion of northern interests both inside and outside of the federal government, and the development of horizontal strategies, initiatives and projects to address economic development challenges and opportunities in the North.

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
2,013,466	2,013,466	2,013,466	2,013,466

Human Resources (FTEs)

2016–17	2017–18	2018–19
12	12	12

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Policies, programs and initiatives that are effective in strengthening the northern Canadian economy, thereby enabling Northerners to access business and community development opportunities	Composite of performance indicators for the Economic Development Program and the related Sub-Programs of Business Development and Community Development	Meet or exceed at least 2/3 of targets identified in Program 1.1 and the related Sub-Programs	March 31, 2017

Planning Highlights

To achieve the expected results for this program, the Agency plans to undertake the following:

- deepen the Agency's application of evidence-based data in program and policy formulation to support economic diversification and investment decisions; and
- review its performance measurement strategies to optimize evidence-based results to inform decision making.

Sub-Program 1.2.1: Policy and Advocacy

Description

This sub-program informs departmental decision-making by providing a solid base of knowledge and understanding to develop effective programs and federal initiatives, to support the development of the Agency's strategic priorities, to provide input to national programs and policies, and to establish strategic partnerships with governments and stakeholders from the private and not-for-profit sectors. CanNor puts a particular emphasis on the overall performance of the natural resource development sector.

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
1,017,312	1,017,312	1,017,312

Human Resources (FTEs)

2016–17	2017–18	2018–19
6	6	6

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Well-informed, evidence-based policy decisions reflecting opportunities and challenges of the northern economy	Assessment of CanNor's performance as determined in audits and evaluations	Positive assessment	March 31, 2017

Planning Highlights

To achieve the expected results for this sub-program, the Agency plans to undertake the following:

- foster innovation in the North through collaboration with stakeholders in support of the Government of Canada's Innovation Agenda;
- identify northern firms with growth potential and support their development;
- continue to inform the Agency's program and policy development with a particular focus on understanding the socio-economic outcomes of resource development projects and other economic sectors for northern communities; and

- continue to advocate and provide a northern perspective to federal partners to ensure government programs and decisions benefit Northerners.

Sub-Program 1.2.2: Coordination and Alignment

Description

This sub-program engages a range of economic actors (government, non-governmental organizations, Indigenous organizations and private companies) to address the economic priorities of the North, and to leverage resources and investments by building partnerships and coordination with other federal departments and northern stakeholders. CanNor's Northern Projects Management Office (NPMO) is a reflection of this approach as it works with project proponents, federal and territorial departments, Indigenous communities and others to advance resource development.

Budgetary Financial Resources (dollars)

2016-17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
996,154	996,154	996,154

a) The funding amount shown remains constant as it represents the ongoing funding envelope for the Northern Projects Management Office.

Human Resources (FTEs)

2016–17	2017–18	2018–19
6	6	6

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Increased effectiveness and transparency in the management of federal environmental approval processes and other federal administrative processes	Percentage of project agreements provided to federal regulators within one month of the project being submitted for screening with a northern regulatory board	90%	March 31, 2017

Planning Highlights

To achieve the expected results for this sub-program, the Agency plans to undertake the following:

- continue to provide a single window for federal issues management, information and guidance to project proponents and others regarding the applicable environmental and socio-economic assessment and regulatory requirements. This will be done through active engagement and outreach with industry, government partners and Indigenous organizations and communities;
- continue to support community readiness across the North to maximize the positive impacts of major projects; and
- continue to provide effective federal coordination related to major projects and maintain, for those projects, the Crown's official consultation records.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources (dollars)

2016-17 Main Estimates	2016-17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
6,111,811	6,111,811	6,111,811	6,111,811

Human Resources (FTEs)

2016–17	2017–18	2018–19
30	30	30

Planning Highlights

To achieve the expected results for Internal Services, the Agency plans to undertake the following:

- continue to implement the Human Resources and Inuit Employment Plans, which include measures to enhance recruitment and increase Inuit and staff employment levels in all offices, as well as initiatives to improve and upgrade staff knowledge and skills; and
- continue to collaborate with other Regional Development Agencies in exploring opportunities for improvement toward the efficient delivery of programs and services to Canadians.

Section III: Supplementary Information

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Canadian Northern Economic Development Agency's (CanNor's) operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Report on Plans and Priorities are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on CanNor's website.[13]

Future-Oriented Condensed Statement of Operations
For the Year Ended March 31, 2016
(dollars)

Financial Information	2015–16 Forecast Results	2016–17 Planned Results	Difference (2016-17 Planned Results minus 2015-16 Forecast Results)
Total expenses	51,497,308	26,424,395	(25,072,910)
Total revenues	0	0	0
Net cost of operations before government funding and transfers	51,497,308	26,424,395	(25,072,910)
The planned spending starting in 2016-17 is lower due to the sunset of time limited funding for the following programs: the Strategic Investments in Northern Economic Development program ($19.9 million), the Northern Adult Basic Education Program ($4 million), and the Northern Projects Management Office Initiative ($2.6 million). A funding reduction of ($1.3 million) for the Centre for Northern Innovation in Mining will also occur. These reductions are offset by new funding of ($3.2 million) for the Canada 150 Community Infrastructure Program and increased funding for the Certification and Market Access Program for Seals.			

Supplementary Information Tables

The supplementary information tables listed in the 2016–17 Report on Plans and Priorities are available on the CanNor's website[14].

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs of $5 Million or More
- Disclosure of Transfer Payment Programs Under $5 Million
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Tax Expenditures and Evaluations[15] publication. The tax measures presented in that publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Canadian Northern Economic Development Agency

Allavvik Building
1106 Inuksugait Plaza IV
Iqaluit, Nunavut, X0A 0H0
Canada

Website: cannor.gc.ca[16]

Appendix: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive

Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures: Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

1 **Ministerial Mandate Letters**, http://pm.gc.ca/eng/ministerial-mandate-letters

2 **Minister of Innovation, Science and Economic Development Mandate Letter**, http://pm.gc.ca/eng/minister-innovation-science-and-economic-development-mandate-letter

3 **Minister of Science Mandate Letter**, http://pm.gc.ca/eng/minister-science-mandate-letter

4 **Minister of Small Business and Tourism Mandate Letter**, http://pm.gc.ca/eng/minister-small-business-and-tourism-mandate-letter

5 **Justice Laws**: http://laws-lois.justice.gc.ca/eng/acts/P-34/index.html

6 **CanNor's website**: http://cannor.gc.ca

7 **Prime Minister of Canada's website**: http://pm.gc.ca/eng/ministerial-mandate-letters

8 **Association of Consulting Engineering Companies, Canada; Mining Association of Canada, N.W.T & Nunavut Chamber of Mines, Prospectors & developers Association of Canada and Yukon Chamber of Mines. 2015. Levelling the playing field: Supporting mineral exploration and mining in remote and northern Canada, p. 6.** http://mining.ca/sites/default/files/documents/Levelling_the_Playing_Field.pdf

9 **Whole-of-government framework**: http://www.tbs-sct.gc.ca/ems-sgd/wgf-ipp-eng.asp

10 **2016–17 Main Estimates**: http://publiservice.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp

11 **Northern Economic Index**: http://www.cannor.gc.ca/eng/1387900596709/1387900617810

12 **Northern Economic Diversification Index**: http://www.cannor.gc.ca/eng/1388762115125/1388762170542

13 **Future-Oriented Statement of Operations**: http://www.cannor.gc.ca/eng/1387820400013/1387820480580

14 **CanNor's website – Estimates documents**: http://www.cannor.gc.ca/eng/1387820400013/1387820480580

15 **Tax Expenditures and Evaluations publication**, http://www.fin.gc.ca/purl/taxexp-eng.asp

16 **CanNor's website**: http://cannor.gc.ca/